(b) In conformity with the policy of the Government, various measures have been initiated to encourage foreign direct investment and investment from Non Resident Indians (NRI)/Overseas Corporate Bodies (OCB) and Foreign Institutional Investors (FII). The Government has allowed cover for incremental FII equity investment and separated and made independent FII and NRI/OCB limits on portfolio holdings in a company. The NRI/OBC limits have been enhanced.

As per the announcements made in the Union Budget, 1998-99, Unit Trust of India is planning to launch a new India Millennium Scheme, to invite subscription in dollars from the NRIs State Bank of India is planning to launch a new Resurgent India Bond denominated in foreign currencies for subscription by NRIs. Investment by the FII debt funds in unlisted domestic debt securities has been proposed. The budget has also proposed measures to accelerate processing and implementation of foreign direct investment. In addition, announcements were made for increasing investments in infrastructure.

Blockage of Basmati Exports

2777. DR. D. VENKATESHWAR RAO: Will the Minister of COMMERCE be pleased to state:

(a) whether attention of Government have been drawn to the new-item appearing in "The Economic Times" dated 16th June, 1998 captioned "EU blocking our basmati exports, India tells WTO";

(b) if so, the facts thereof; and

(c) the measures proposed against the European Union for its failure to carry out its obligations under the provisions of GATT agreement?

THE MINISTER OF COMMERCE (SHRI RAMA KRISHNA HEGDE): (a) Yes, Sir.

(b) The Commissioner of European Communities vide Commission Regulation (EC) No. 703/97 dated 18/9/97 has introduced for a trial period from 1 July, 1997 to 30 June, 1998 a commulative recovery system for determining certain export duties on rice and amending Regulation (EC) No. 1503/96.

(c) Government has held formal consultations with the European Commission on various provisions of the Commission Regulation (EC) No. 703/97 under Article XXIII of General Agreement on Tariffs and Trade 1994.

Losses by Coffee Board

2778. SHRI GHUFRAN AZAM: Will the Minister of COMMERCE be pleased to state:

(a) whether the Coffee Board has been suffering losses since the past few years;

(b) if so, the factors responsible for such losses;

(c) whether Government have formulated any action plan to make the Coffee Board viable; and

(d) if so, the details thereof?

THE MINISTER OF COMMERCE (SHRI RAMA KRISHNA HEGDE): (a) No, Sir.

(b) to (d) Do not arise.

Setting up of a Free Port

2779. SHRI RAJNATH SINGH 'SURYA': Will the Minister of COMMERCE be pleased to state:

(a) whether the Government has proposed to set up a free port in the country;

(b) if so, whether an existing port will be converted into a free port;

(c) whether the area has been identified; and

(d) if so, the details thereof?